

**LODI CITY COUNCIL  
SPECIAL JOINT CITY COUNCIL MEETING  
WITH THE CITY OF LODI REDEVELOPMENT AGENCY  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, MAY 30, 2007**

A. CALL TO ORDER / ROLL CALL

The Special Joint City Council meeting with the City of Lodi Redevelopment Agency of May 30, 2007, was called to order by Mayor Johnson at 6:04 p.m.

Present: Council Members – Hansen, Hitchcock, Katzakian, Mounce, and Mayor Johnson

Absent: Council Members – None

Present: Redevelopment Agency Members – Hansen, Hitchcock, Katzakian, Mounce, and  
Chairperson Johnson

Absent: Redevelopment Agency Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. PUBLIC HEARINGS

B-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Johnson called for the public hearing to consider adoption of the City of Lodi and Lodi Redevelopment Agency Fiscal Year 2007-08 Operating and Capital Outlay Budgets.

City Manager King briefly introduced the subject matter. Mr. King provided additional information on frozen positions and mandatory vacancies. Specific topics of discussion included institutional memory, attrition, cost accounting associated with frozen/mandatory vacancies, maintaining service levels, and tracking for administration purposes.

Council Member Hansen stated he was in favor of eliminating the frozen and mandatory vacancies program and provided the reasons for the same.

Council Member Hitchcock stated she was in favor of eliminating the frozen and mandatory vacancies program and provided the reasons for the same. She also suggested the historical information be retained by staff.

Mayor Johnson stated he was in favor of eliminating the frozen and mandatory vacancies program and provided the reasons for the same. He also stated he was concerned about filling positions for the smaller departments.

Council Member Katzakian stated he was in favor of keeping the program as is and provided the reasons for the same.

Mayor Pro Tempore Mounce stated she was in favor of eliminating the frozen and mandatory vacancies program and provided the reasons for the same. She expressed her concerns regarding filling positions for the Finance Department.

In response to Mayor Johnson, Council Member Hitchcock stated that there was no other program before the mandated vacancies program because financial conditions were different.

MOTION #1 / VOTE:

The City Council, on motion of Council Member Hansen, Hitchcock second, eliminated the frozen/mandatory vacancies program by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Mounce, and Mayor Johnson

Noes: Council Members – Katzakian

Absent: Council Members – None

City Manager King stated staff will continue to work on a way to preserve the historical information associated with positions.

### Electric Utility

Electric Utility Director Morrow provided a presentation regarding the proposed departmental budget.

In response to Council Member Hansen, Mr. Morrow stated an additional \$400,000 was spent on the Killelea Substation project.

In response to Council Member Hansen, Mr. Morrow stated they will be looking to fill 50 positions total, many of which are promotional in nature whereby the former positions may not be filled, in addition to the 16 positions that will remain unfilled. Discussion ensued between Council Member Hansen and Mr. Morrow regarding the same.

In response to Council Member Hansen, Mr. Morrow stated the overall goal is to remain under the budget goal, of which the personnel costs are approximately \$300,000 less than the previous year.

In response to Council Member Hitchcock, City Manager King stated that the budgeted positions include authorized positions less the mandatory vacancies.

In response to Council Member Hitchcock, Mr. Morrow stated that the special payment for \$16.5 million is for additional debt service for the upcoming year.

In response to Council Member Hitchcock, Mr. Morrow stated PG&E involvement is being looked at as a "what if" scenario with the new Lodi project.

In response to Mayor Pro Tempore Mounce, Mr. Krueger stated the original number, before downsizing from \$6.5 million, was approximately \$4 million.

Discussion ensued between Council Member Hitchcock, Council Member Hansen, and Mr. Morrow regarding the priority of the new Lodi project and having a municipal-controlled utility with PG&E participation.

### Public Works

Public Works Director Prima provided a presentation regarding the proposed departmental budget. Mr. Prima specifically discussed the services and funds associated with water, wastewater, streets and drainage, transit, and fleet and facilities services.

In response to Mayor Johnson, Mr. Prima stated they are continuing to work on ways to keep the cost of the water meter installations down.

In response to Council Member Hansen, Mr. Prima stated the Lockeford Street project will be complete by this year, but they are still working on the right of ways with respect to the railroad and funding. Mr. Prima stated that portion of the project may take a few more years.

In response to Council Member Hansen, Mr. Prima stated they do budget for relatively minor signage and safety improvements and receive some grant assistance. Council Member Hansen requested an update on the crosswalk in front of Tokay High School.

In response to Council Member Hitchcock, Mr. Krueger stated the decrease in personnel costs is a combination of allocations to capital projects, interagency fund transfers, and benefits. Mr. King provided an overview of the benefits associated with capturing actual costs on a project similar to that of the private industry.

In response to Council Member Hitchcock, Mr. Prima stated the shift in PCE/TCE funding is due to the change from litigation to remediation. He stated the White Slough project is also moving forward.

In response to Mayor Pro Tempore Mounce, Mr. Krueger stated the change in numbers between the last and current reviews reflects everything up to the audited adjustments.

#### Library

Library Services Director Martinez provided a presentation regarding the proposed departmental budget.

In response to Council Member Hitchcock, Ms. Martinez stated that the trend associated with lower material check out and higher visits is likely due to Internet usage and will likely continue.

#### Community Center

Community Center Director Rodems provided a presentation regarding the proposed departmental budget.

In response to Council Member Hansen, Mr. Rodems stated the Center is reviewing marketing efforts for the senior community, customer service with the private sector, and evaluating general processes and challenges.

In response to Mayor Pro Tempore Mounce, Mr. Rodems stated they are looking at feasibility options for the Safari software utilized by Parks and Recreation and the Square despite some of the inherent limitations of the program. Mr. Rodems stated they are also reviewing differences in the registration system and ticketing tools.

In response to Council Member Hitchcock, Mr. Rodems stated staff is looking at the Camp Hutchins program and related facility uses; although, he has not had any direct discussions with the Budget Committee regarding the same. He stated they have not had any specific demands or requests for usage at the current time and renovations may be a consideration.

In response to Mayor Johnson, Mr. Rodems stated they can review the options available to both the Library and the Square as it relates to computer usage.

#### Community Development

Community Improvement Manager Wood provided a presentation regarding the proposed departmental budget. Mr. Wood reviewed the Community Development budget and the block grant program.

In response to Council Member Hitchcock, Mr. Krueger stated Community Development activity amounts moved from general to special funds.

In response to Council Member Hitchcock, Mr. Krueger confirmed that the senior building technician position was phased out and a permit technician position was added.

In response to Council Member Hitchcock, Mr. Krueger confirmed that the personnel cost was going up from \$1.6 million to \$1.8 million and stated a plan check engineer is a higher paid position.

In response to Council Member Hansen, Mr. Wood stated the Planning staff is on calendar for comments and progression of the new Development Code.

In response to Mayor Johnson, City Manager King stated that State law permits the Local Agency Formation Commission (LAFCO) to conduct a municipal services review periodically; although, the County has not consistently performed this review.

City Manager

City Manager King provided a presentation regarding the proposed departmental budget. Mr. King also discussed economic development. Mr. Krueger discussed the internal services funding and budget, including the budget and treasury, financial services, human resources, and information systems.

In response to Council Member Hitchcock, Mr. Krueger stated the San Joaquin Partnership donation in the 8089 account was a misclassification.

In response to Council Member Hansen, Mr. Krueger stated he envisions the new position to handle the counter, provide relief for internal and external telephone calls, and assist with foot traffic in the front.

In response to Council Member Hansen, Mr. Krueger stated they will look into the internal level of service provided by Human Resources in filling positions.

In response to Council Member Hitchcock, Mr. Krueger provided an overview of the current and previous organizational make-up of the Finance Department and discussion ensued regarding the same. Council Member Hitchcock requested a copy of the previous Finance Department organizational charts. City Manager King stated the pay scales will also be provided and there is no net affect of the positions being reorganized.

Mayor Pro Tempore Mounce thanked staff for their efforts regarding her remote participation at a City Council meeting. She also encouraged staff to look into facility upgrades that may be available to allow for long-term remote participation at Planning Commission and City Council meetings.

In response to Council Member Hansen, Mr. Krueger stated a Human Resources Manager is a lower position with a lower salary than a Human Resources Director.

RECESS

At 8:31 p.m., Mayor Johnson called for a recess, and the City Council meeting reconvened at 8:40 p.m.

B. PUBLIC HEARINGS (Continued)

B-1 City Clerk

(Cont'd.)

City Clerk Johl provided a brief presentation regarding the proposed departmental budget.

In response to Council Member Hitchcock, Ms. Johl stated the Records Clerk II position, which replaced a secondary Deputy City Clerk position, meets the department's needs.

In response to Mayor Johnson, Ms. Johl stated, as it relates to Website improvements, the department is working only on the City Clerk and City Council pages.

City Attorney

City Attorney Schwabauer provided a brief presentation regarding the proposed departmental budget.

Non-Departmental

Deputy City Manager Krueger provided a presentation regarding the proposed non-departmental budget. Specific discussion included benefits, self-insurance, capital outlay, vehicle replacement, equipment fund, and debt service.

Council Member Hansen requested that information regarding Lodi Memorial Hospital, Blue Cross, and Public Employees Retirement System as it relates to employee deductibles be brought back to Council.

#### Redevelopment Agency

City Manager King provided a presentation regarding the proposed Agency budget.

In response to Mayor Johnson, City Manager King stated the \$300,000 amount was similar to the previously budgeted amount for redevelopment.

In response to Mayor Pro Tempore Mounce, Mr. King stated additional monies could be budgeted in the next budget cycle as the level of public involvement may be a variable.

In response to Mayor Johnson, Mr. King stated a committee is not required because there is no power of eminent domain through the Redevelopment Agency.

#### Budget and Finance Committee Recommendations

Council Member Hansen suggested future recommendations from the Budget and Finance Committee be provided directly to the Council by the Committee.

Deputy City Manager Krueger provided an overview of the Budget Committee Advisory recommendations to the City Manager. Specific topics of discussion included the energy cost adjustment, Parks and Recreation/Hutchins Street Square organizational review, code enforcement consolidation, financial system, mobile home rates, cable franchise fees, fleet replacement policies, economic development, community redevelopment agency, capital improvements, and deferred maintenance study, which was the only item the Committee collectively voted against.

In response to Mayor Pro Tempore Mounce, Mr. Krueger stated the vote was 2-2 and did not carry. Mr. King stated the vote pertained to the amount of money and staff required; not that the improvements did not need to be made.

In response to Council Member Hansen, Mr. Krueger stated in all cases the Committee's work was completed and a written report was provided. Council Member Hansen requested a copy of the report.

Several members of the Council requested minutes from all committees and commissions be provided on a regular basis to the City Council and a joint meeting with the Budget and Finance Committee be held in a manner similar to what is done with other committees and commissions.

#### **BUDGET ALTERNATIVES:**

##### Code Enforcement

City Manager King provided an overview of the proposed reorganization of the Code Enforcement Division from the Community Development Department to the Police Department. Mr. King stated there is no underlying monetary change to the general fund.

In response to Council Member Hansen, Police Chief Adams stated the three Code Enforcement positions, one of which is supervisory, would be under the support services division. He stated the current supervisors already work with Code Enforcement and staff is still working on the specifics of the uniforms.

Mayor Pro Tempore Mounce suggested the historical information related to Code Enforcement efforts on the east side of the City be preserved.

In response to Council Member Hitchcock, Chief Adams stated staff has contacted other cities that house their Code Enforcement under the Police Department and community oriented policing is a way of life in those communities.

In response to Mayor Pro Tempore Mounce, Chief Adams stated he anticipates the contact telephone numbers will remain the same.

#### Library Capital Project

City Manager King provided an overview of the proposed Phase I and II capital improvements for the library.

Discussion ensued between Council Member Hitchcock, Council Member Hansen, Library Services Director Martinez, and City Manager King regarding the need for safety oriented improvements and the heating, ventilation, and air conditioning (HVAC) system. Mr. King stated the library might be a good project for the one-time revenues that may be generated from property sales. He stated staff would be returning to Council with the Phase II recommendations and the HVAC system is the priority.

In response to Mayor Johnson, Mr. King stated the \$140,000 difference is covered and the HVAC system not functioning properly is the biggest challenge at this point.

#### Parks and Recreation / Hutchins Street Square

City Manager King provided an overview of a proposed consolidation, stating there is no funding involved at this time because staff is only seeking direction from Council as to whether or not to pursue options for a consolidation of the Parks and Recreation Department with Hutchins Street Square. He stated a consolidation may be feasible by the 2008-09 fiscal year.

In response to Council Member Hitchcock, Mr. King stated the process would include a six-month period to review and explore options, talk to various committees and clients, look at alternative organizational charts, and provide some recommendations to the City Council.

In response to Mayor Johnson, Mr. King stated they would name an interim director for the Parks and Recreation Department while reviewing consolidation options.

#### Hearing Opened to the Public

- John Johnson, representing the Lodi Budget and Finance Committee, provided a copy of the Committee's report to Council, stated the Committee was in favor of the proposed consolidation, and requested more participation with the City Council.
- Robert Emmer, representing the Library Board of Trustees, spoke in favor of the Council's support of the Library and requested continued assistance with the renovation project.

#### Public Portion of Hearing Closed

Council Member Hansen stated he is in favor of the third budget alternative regarding consolidation.

Mayor Pro Tempore Mounce stated she has a concern regarding the cash to accrual basis of accounting, but will support the budget.

Council Member Hitchcock stated she will support the budget, but requested additional information as stated previously regarding the organization of the Finance Department.

Mayor Johnson stated he will support the budget, but has some concerns regarding setting aside additional funds for reserves.

MOTION #2 / VOTE:

The City Council, on motion of Mayor Johnson, Hansen second, unanimously adopted Resolution No. 2007-94 adopting the fiscal year 2007-08 Operating and Capital Improvement Budget and further approving the fiscal year 2007-08 Appropriations Spending Limit.

MOTION #3 / VOTE:

The City of Lodi Redevelopment Agency, on motion of Chairperson Johnson, Hansen second, adopted Resolution No. RDA2007-01 appropriating \$300,000 for the community Redevelopment Agency as part of the fiscal year 2007-08 Operating and Capital Improvement Budget. The motion carried by the following vote:

Ayes: Agency Members – Hansen, Hitchcock, Katzakian, and Chairperson Johnson

Noes: Agency Members – Mounce

Absent: Agency Members – None

MOTION #4 / VOTE:

The City Council, on motion of Council Member Hansen, Mounce second, unanimously authorized the reorganization of the Code Enforcement Division from the Community Development Department to the Police Department.

MOTION #5 / VOTE:

The City Council, on motion of Council Member Hansen, Mounce second, unanimously approved the proposed Library capital improvements as recommended by the City Manager.

MOTION #6 / VOTE:

The City Council, on motion of Mayor Johnson, Hansen second, unanimously authorized staff to pursue options for consolidating the Parks and Recreation Department and Hutchins Street Square.

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 10:10 p.m.

ATTEST:

Randi Johl  
City Clerk